

AMENDED IN ASSEMBLY AUGUST 26, 2014

AMENDED IN ASSEMBLY AUGUST 7, 2014

AMENDED IN ASSEMBLY AUGUST 5, 2013

AMENDED IN ASSEMBLY JUNE 17, 2013

AMENDED IN SENATE MAY 14, 2013

AMENDED IN SENATE APRIL 10, 2013

AMENDED IN SENATE APRIL 2, 2013

SENATE BILL

No. 628

Introduced by ~~Senator Beall~~ Senators *Beall and Wolk*

*(Principal coauthors: Assembly Members Bonta, Dickinson, and
John A. Pérez)*

February 22, 2013

~~An act to add Section 1374.78 to the Health and Safety Code, relating to health care coverage.~~ *An act to add Chapter 2.99 (commencing with Section 53398.50) to Part 1 of Division 2 of Title 5 of the Government Code, relating to local government.*

LEGISLATIVE COUNSEL'S DIGEST

SB 628, as amended, Beall. ~~Health care coverage: mental health parity: medical surveys.~~ *Enhanced infrastructure financing districts.*

Existing law authorizes a legislative body of a city, defined to mean a city or a city and county, to establish an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities upon approval by ²/₃ of the voters. Existing law authorizes an infrastructure financing district to fund infrastructure projects through

tax increment financing, pursuant to the infrastructure financing plan and the agreement of affected taxing entities, as defined. Existing law requires an infrastructure financing plan to include the date on which an infrastructure financing district will cease to exist, that may not be more than 30 years from the date on which the ordinance forming the district is adopted.

This bill would additionally authorize the legislative body of a city or a county, defined to include a city and county, to establish an enhanced infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, upon approval by 55% of the voters; to finance public capital facilities or other specified projects of communitywide significance, including, but not limited to, brownfield restoration and other environmental mitigation; the development of projects on a former military base; the repayment of the transfer of funds to a military base reuse authority; the acquisition, construction, or rehabilitation of housing for persons of low and moderate income for rent or purchase; the acquisition, construction, or repair of industrial structures for private use; transit priority projects; and projects to implement a sustainable communities strategy. The bill would also authorize an enhanced infrastructure financing district to utilize any powers under the Polanco Redevelopment Act.

This bill would require the legislative body to establish a public financing authority, defined as the governing board of the enhanced infrastructure financing authority, comprised of membership of members of the legislative body of the participating entities and of the public, prior to the adoption of a resolution to form an enhanced infrastructure district and infrastructure financing plan. This bill would require proceedings for the establishment of a district to be instituted by the adoption of a resolution of intention that, among other things, states the boundaries of the district, the type of public facilities and development proposed to be financed or assisted by the district, and the need for the district and the goals the district proposes to achieve.

If the resolution is adopted by the legislative body after a public hearing, the bill would prohibit the public financing authority from implementing the infrastructure financing plan until specified events occur. This bill would authorize the public financing authority to initiate proceedings to issue bonds, and would require the proposal to issue bonds to be submitted to qualified electors of the proposed district, as specified. By requiring electors to make specified declarations on ballots

under penalty of perjury, this bill would expand circumstances under which a person may be convicted of a crime and thereby, would impose a state-mandated local program.

This bill would authorize an enhanced infrastructure financing district to fund infrastructure projects through tax increment financing, pursuant to the infrastructure financing plan and the agreement of affected taxing entities, as defined. This bill would authorize the creation of an infrastructure financing district for up to 45 years from the date on which the issuance of bonds is approved, as specified. This bill would require an infrastructure financing district to contract for the performance of an independent financial and performance audit every 2 years, as specified. This bill would authorize a city, county, or special district that contains territory within the boundaries of an infrastructure financing district, upon approval of its governing body, to loan moneys to the infrastructure financing district to fund the activities described in the infrastructure financing plan, as specified.

This bill would authorize an enhanced infrastructure financing district to finance a project or portion of a project that is located in, or overlaps with, a redevelopment project area or former redevelopment project area, as specified. This bill would prohibit a city or county that created a redevelopment agency from creating a district until specified conditions related to the wind down of the former redevelopment agency have been satisfied. This bill would provide that any debt or obligation of an enhanced infrastructure financing district is subordinate to an enforceable obligation of a former redevelopment agency. This bill would additionally authorize the legislative body of the city forming an enhanced infrastructure financing district to choose to dedicate any portion of its net available revenue, as defined, to the enhanced infrastructure financing district through the infrastructure financing plan, as specified.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

~~Existing law requires large group, small group, and individual health care service plan contracts to provide covered mental health and substance use disorder benefits in compliance with the provisions of~~

federal law governing mental health parity, no later than January 1, 2015.

This bill, on and after January 1, 2016, would require the Department of Managed Health Care to conduct medical surveys of health care service plans chosen by the Director of the Department of Managed Health Care, as provided, in order to evaluate those plans' compliance with the above requirements. The bill would require the surveys to be conducted annually for at least 5 years, and would require the department, from April 1, 2017, to April 1, 2021, inclusive, to provide the Legislature with an annual report on the survey findings, as provided. The bill would also require the department to hire 5 staff members prior to June 30, 2015, to implement these provisions, funded by moneys in the Managed Care Fund. The bill would require all actual reasonable costs incurred by the department for the purposes of the surveys to be paid from the annual assessments imposed on health care service plans.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~no~~ yes.

The people of the State of California do enact as follows:

1 *SECTION 1. Chapter 2.99 (commencing with Section 53398.50)*
2 *is added to Part 1 of Division 2 of Title 5 of the Government Code,*
3 *to read:*

4
5 *CHAPTER 2.99. ENHANCED INFRASTRUCTURE FINANCING*
6 *DISTRICT*

7
8 *Article 1. General Provisions*

9
10 53398.50. *The Legislature finds and declares that with the*
11 *dissolution of redevelopment agencies, public benefits will accrue*
12 *if local agencies, excluding schools, are provided a means to*
13 *finance the reuse and revitalization of former military bases, fund*
14 *the creation of transit priority projects and the implementation of*
15 *sustainable communities plans, construct and rehabilitate*
16 *affordable housing units, and construct facilities to house providers*
17 *of consumer goods and services in the communities served by these*
18 *efforts.*

1 53398.51. *Unless the context otherwise requires, the definitions*
2 *contained in this article shall govern the construction of this*
3 *chapter.*

4 (a) *“Affected taxing entity” means any governmental taxing*
5 *agency which levied or had levied on its behalf a property tax on*
6 *all or a portion of the property located in the proposed district in*
7 *the fiscal year prior to the designation of the district, but not*
8 *including any county office of education, school district, or*
9 *community college district.*

10 (b) *“County” means a county or a city and county.*

11 (c) *“Debt” means any binding obligation to repay a sum of*
12 *money, including obligations in the form of bonds, certificates of*
13 *participation, long-term leases, loans from government agencies,*
14 *or loans from banks, other financial institutions, private businesses,*
15 *or individuals.*

16 (d) *“Designated official” means the city or county engineer or*
17 *other appropriate official designated pursuant to Section 53398.62.*

18 (e) (1) *“District” means an enhanced infrastructure financing*
19 *district.*

20 (2) *An enhanced infrastructure financing district is a district*
21 *within the meaning of Section 1 of Article XIII A of the California*
22 *Constitution.*

23 (f) *“Enhanced infrastructure financing district” means a legally*
24 *constituted governmental entity separate and distinct from the city*
25 *or county that established it pursuant to this chapter for the sole*
26 *purpose of financing public facilities or other projects as*
27 *authorized by this chapter. An enhanced infrastructure financing*
28 *district shall be a local agency for purposes of Chapter 9*
29 *(commencing with Section 54950).*

30 (g) *“Landowner” or “owner of land” means any person shown*
31 *as the owner of land on the last equalized assessment roll or*
32 *otherwise known to be the owner of the land by the legislative*
33 *body. The legislative body has no obligation to obtain other*
34 *information as to the ownership of land, and its determination of*
35 *ownership shall be final and conclusive for the purposes of this*
36 *chapter. A public agency is not a landowner or owner of land for*
37 *purposes of this chapter, unless the public agency owns all of the*
38 *land to be included within the proposed district.*

39 (h) *“Legislative body” means the city council or board of*
40 *supervisors.*

1 (i) “Public financing authority” means the governing board of
2 the district established pursuant to this chapter.

3 53398.51.1. (a) The public financing authority shall have a
4 membership consisting of one of the following, as appropriate:

5 (1) If a district has only one participating affected taxing entity,
6 the public financing authority’s membership shall consist of three
7 members of the legislative body of the participating entity, and
8 two members of the public chosen by the legislative body. The
9 appointment of the public members shall be subject to the
10 provisions of Section 54974.

11 (2) If a district has two or more participating affected taxing
12 entities, the public financing authority’s membership shall consist
13 of a majority of members from the legislative bodies of the
14 participating entities, and a minimum of two members of the public
15 chosen by the legislative bodies of the participating entities. The
16 appointment of the public members shall be subject to the
17 provisions of Section 54974.

18 (b) The legislative body shall ensure the public financing
19 authority is established prior to adopting a resolution pursuant to
20 Section 53398.69 to adopt an infrastructure financing plan and
21 to form a district.

22 (c) Members of the public financing authority established
23 pursuant to this chapter shall not receive compensation but may
24 receive reimbursement for actual and necessary expenses incurred
25 in the performance of official duties pursuant to Article 2.3
26 (commencing with Section 53232) of Chapter 2.

27 (d) Members of the public financing authority are subject to
28 Article 2.4 (commencing with Section 53234) of Chapter 2.

29 (e) The public financing authority created pursuant to this
30 chapter shall be a local public agency subject to the Ralph M.
31 Brown Act (Chapter 9 (commencing with Section 54950)), the
32 California Public Records Act (Chapter 3.5 (commencing with
33 Section 6250) of Division 7 of Title 1), and the Political Reform
34 Act of 1974 (Title 9 (commencing with Section 81000)).

35 53398.52. (a) (1) A district may finance any of the following:

36 (A) The purchase, construction, expansion, improvement, seismic
37 retrofit, or rehabilitation of any real or other tangible property
38 with an estimated useful life of 15 years or longer that satisfies
39 the requirements of subdivision (b).

1 (B) *The planning and design work that is directly related to the*
2 *purchase, construction, expansion, or rehabilitation of property.*

3 (C) *The costs described in Sections 53398.56 and 53398.57.*

4 (2) *The facilities need not be physically located within the*
5 *boundaries of the district. However, any facilities financed outside*
6 *of a district must have a tangible connection to the work of the*
7 *district, as detailed in the infrastructure financing plan adopted*
8 *pursuant to Section 53398.69.*

9 (3) *A district may not finance routine maintenance, repair work,*
10 *or the costs of an ongoing operation or providing services of any*
11 *kind.*

12 (b) *The district shall finance only public capital facilities or*
13 *other specified projects of communitywide significance that provide*
14 *significant benefits to the district or the surrounding community,*
15 *including, but not limited to, all of the following:*

16 (1) *Highways, interchanges, ramps and bridges, arterial streets,*
17 *parking facilities, and transit facilities.*

18 (2) *Sewage treatment and water reclamation plants and*
19 *interceptor pipes.*

20 (3) *Facilities for the collection and treatment of water for urban*
21 *uses.*

22 (4) *Flood control levees and dams, retention basins, and*
23 *drainage channels.*

24 (5) *Child care facilities.*

25 (6) *Libraries.*

26 (7) *Parks, recreational facilities, and open space.*

27 (8) *Facilities for the transfer and disposal of solid waste,*
28 *including transfer stations and vehicles.*

29 (9) *Brownfield restoration and other environmental mitigation.*

30 (10) *The development of projects on a former military base,*
31 *provided that the projects are consistent with the military base*
32 *authority reuse plan and are approved by the military base reuse*
33 *authority, if applicable.*

34 (11) *The repayment of the transfer of funds to a military base*
35 *reuse authority pursuant to Section 67851 that occurred on or*
36 *after the creation of the district.*

37 (12) *The acquisition, construction, or rehabilitation of housing*
38 *for persons of low and moderate income, as defined in Section*
39 *50093 of the Health and Safety Code, for rent or purchase.*

1 (13) Acquisition, construction, or repair of industrial structures
2 for private use.

3 (14) Transit priority projects, as defined in Section 21155 of
4 the Public Resources Code, that are located within a transit
5 priority project area. For purposes of this paragraph, a transit
6 priority project area may include a military base reuse plan that
7 meets the definition of a transit priority project area and it may
8 include a contaminated site within a transit priority project area.

9 (15) Projects that implement a sustainable communities strategy,
10 when the State Air Resources Board, pursuant to Chapter 2.5
11 (commencing with Section 65080) of Division 2 of Title 7, has
12 accepted a metropolitan planning organization's determination
13 that the sustainable communities strategy or the alternative
14 planning strategy would, if implemented, achieve the greenhouse
15 gas emission reduction targets.

16 (c) The district shall require, by recorded covenants or
17 restrictions, that housing units built pursuant to this section shall
18 remain available at affordable housing costs to, and occupied by,
19 persons and families of low- or moderate-income households for
20 the longest feasible time, but for not less than 55 years for rental
21 units and 45 years for owner-occupied units.

22 (d) The district may finance mixed-income housing
23 developments, but may finance only those units in such a
24 development that are restricted to occupancy by persons of low
25 or moderate incomes as defined in Section 50093 of the Health
26 and Safety Code, and those on-site facilities for child care,
27 after-school care, and social services that are integrally linked to
28 the tenants of the restricted units.

29 (e) A district may utilize any powers under the Polanco
30 Redevelopment Act (Article 12.5 (commencing with Section 33459)
31 of Chapter 4 of Part 1 of Division 24 of the Health and Safety
32 Code), and finance any action necessary to implement that act.

33 53398.53. Notwithstanding subdivision (b) of Section 53398.52,
34 a district may reimburse a developer of a project that is located
35 entirely within the boundaries of that district for any permit
36 expenses incurred and to offset additional expenses incurred by
37 the developer in constructing affordable housing units pursuant
38 to the Transit Priority Project Program established in Section
39 65470.

1 53398.54. A city or county that created a redevelopment
2 agency, as defined in Section 33003 of the Health and Safety Code,
3 shall neither initiate the creation of a district, nor participate in
4 the governance or financing of a district, until each of the following
5 has occurred:

6 (a) The successor agency for the former redevelopment agency
7 created by the city or county has received a finding of completion,
8 as specified in Section 34179.7 of the Health and Safety Code.

9 (b) The city or county certifies to the Department of Finance
10 and to the public financing authority that no former redevelopment
11 agency assets that are the subject of litigation involving the state,
12 where the city or county, the successor agency, or the designated
13 local authority are a named plaintiff, have been or will be used to
14 benefit any efforts of an enhanced infrastructure financing district
15 formed under this chapter, unless the litigation and all possible
16 appeals have been resolved in a court of law. The city or county
17 shall provide this certification to the Department of Finance within
18 10 days of its legislative body's action to participate in an
19 enhanced infrastructure financing district pursuant to Section
20 53398.68, or of its legislative body's action to form an enhanced
21 infrastructure financing district pursuant to Section 53398.69.

22 (c) The office of the Controller has completed its review as
23 specified in Section 34167.5 of the Health and Safety Code.

24 (d) The successor agency and the entity that created the former
25 redevelopment agency have complied with all of the office of the
26 Controller's findings and orders stemming from the reviews as
27 specified in subdivision (c).

28 53398.55. (a) A district may include any portion of a former
29 redevelopment project area that was previously created pursuant
30 to Part 1 (commencing with Section 33000) of Division 24 of the
31 Health and Safety Code, provided that the city or county that
32 created the former redevelopment agency has met the requirements
33 of Section 53398.54.

34 (b) A district may finance only the facilities authorized in this
35 chapter to the extent that the facilities are in addition to those
36 provided in the territory of the district before the district was
37 created. The additional facilities may not supplant facilities already
38 available within that territory when the district was created but
39 may supplement, rehabilitate, upgrade, or make more sustainable
40 those facilities.

1 (c) A district may include areas which are not contiguous.

2 53398.56. It is the intent of the Legislature that the creation
3 of the districts should not ordinarily lead to the removal of existing
4 dwelling units. If, however, any dwelling units are proposed to be
5 removed or destroyed in the course of private development or
6 public works construction within the area of the district, the
7 infrastructure financing plan adopted pursuant to Section 53398.69
8 shall contain provisions to do all of the following:

9 (a) Within two years of the removal or destruction, cause or
10 require the construction or rehabilitation, for rent or sale to
11 persons or families of low or moderate income, of an equal number
12 of replacement dwelling units at affordable housing cost, as defined
13 in Section 50052.5 of the Health and Safety Code, within the
14 territory of the district if the dwelling units removed were inhabited
15 by persons or families of low or moderate income, as defined in
16 Section 50093 of the Health and Safety Code.

17 (b) Within two years of the removal or destruction, cause or
18 require the construction or rehabilitation, for rent or sale to
19 persons of low or moderate income, a number of dwelling units
20 that is at least one unit but not less than 25 percent of the total
21 dwelling units removed at affordable housing cost, as defined in
22 Section 50052.5 of the Health and Safety Code, within the territory
23 of the district if the dwelling units removed or destroyed were not
24 inhabited by persons of low or moderate income, as defined in
25 Section 50093 of the Health and Safety Code.

26 (c) Provide relocation assistance and make all the payments
27 required by Chapter 16 (commencing with Section 7260) of
28 Division 7 of Title 1, to persons displaced by any public or private
29 development occurring within the territory of the district. This
30 displacement shall be deemed to be the result of public action.

31 (d) Ensure that removal or destruction of any dwelling units
32 occupied by persons or families of low or moderate income not
33 take place unless and until there are suitable housing units, at
34 comparable cost to the units from which the persons or families
35 were displaced, available and ready for occupancy by the residents
36 of the units at the time of their displacement. The housing units
37 shall be suitable to the needs of these displaced persons or families,
38 and shall be decent, safe, sanitary, and otherwise standard
39 dwellings.

1 (e) (1) *The district shall require, by recorded covenants or*
2 *restrictions, that housing units built pursuant to this section shall*
3 *remain available at affordable housing costs to, and occupied by,*
4 *persons and families of low- or moderate-income households for*
5 *the longest feasible time, but for not less than 55 years for rental*
6 *units and 45 years for owner-occupied units.*

7 (2) *In lieu of a 45-year covenant or restriction, the district may*
8 *subject owner-occupied units to an equity sharing agreement*
9 *described in paragraph (2) of subdivision (c) of Section 65915.*

10 53398.57. *Any action or proceeding to attack, review, set aside,*
11 *void, or annul the creation of a district, adoption of an*
12 *infrastructure financing plan, including a division of taxes*
13 *thereunder; or an election pursuant to this chapter shall be*
14 *commenced within 30 days after the enactment of the resolution*
15 *creating the district pursuant to Section 53398.69. Consistent with*
16 *the time limitations of this section, such an action or proceeding*
17 *with respect to a division of taxes under this chapter may be*
18 *brought pursuant to Chapter 9 (commencing with Section 860) of*
19 *Title 10 of Part 2 of the Code of Civil Procedure, except that*
20 *Section 869 of the Code of Civil Procedure shall not apply.*

21 53398.58. *An action to determine the validity of the issuance*
22 *of bonds pursuant to this chapter may be brought pursuant to*
23 *Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of*
24 *the Code of Civil Procedure. However, notwithstanding the time*
25 *limits specified in Section 860 of the Code of Civil Procedure, the*
26 *action shall be commenced within 30 days after adoption of the*
27 *resolution pursuant to Section 53398.81 providing for issuance of*
28 *the bonds if the action is brought by an interested person pursuant*
29 *to Section 863 of the Code of Civil Procedure. Any appeal from a*
30 *judgment in that action or proceeding shall be commenced within*
31 *30 days after entry of judgment.*

32
33 Article 2. *Preparation and Adoption of Infrastructure Financing*
34 *Plan*
35

36 53398.59. *A legislative body of a city or county may designate*
37 *one or more proposed enhanced infrastructure financing districts*
38 *pursuant to this chapter. Proceedings for the establishment of a*
39 *district shall be instituted by the adoption of a resolution of*

1 *intention to establish the proposed district and shall do all of the*
2 *following:*

3 *(a) State that an enhanced infrastructure financing district is*
4 *proposed to be established under the terms of this chapter and*
5 *describe the boundaries of the proposed district, which may be*
6 *accomplished by reference to a map on file in the office of the clerk*
7 *of the city or in the office of the recorder of the county, as*
8 *applicable.*

9 *(b) State the type of public facilities and development proposed*
10 *to be financed or assisted by the district in accordance with Section*
11 *53398.52.*

12 *(c) State the need for the district and the goals the district*
13 *proposes to achieve.*

14 *(d) State that incremental property tax revenue from the city or*
15 *county and some or all affected taxing entities within the district,*
16 *if approved by resolution pursuant to Section 53398.68, may be*
17 *used to finance these activities.*

18 *(e) Fix a time and place for a public hearing on the proposal.*

19 *53398.60. The legislative body shall direct the city clerk or*
20 *county recorder, as applicable, to mail a copy of the resolution of*
21 *intention to create the district to each owner of land within the*
22 *district.*

23 *53398.61. The legislative body shall direct the city clerk or*
24 *county recorder, as applicable, to mail a copy of the resolution to*
25 *each affected taxing entity.*

26 *53398.62. After adopting the resolution pursuant to Section*
27 *53398.59, the legislative body shall designate and direct the city*
28 *or county engineer or other appropriate official to prepare an*
29 *infrastructure plan pursuant to Section 53398.63.*

30 *53398.63. After receipt of a copy of the resolution of intention*
31 *to establish a district, the official designated pursuant to Section*
32 *53395.62 shall prepare a proposed infrastructure financing plan.*
33 *The infrastructure financing plan shall be consistent with the*
34 *general plan of the city or county within which the district is*
35 *located and shall include all of the following:*

36 *(a) A map and legal description of the proposed district, which*
37 *may include all or a portion of the district designated by the*
38 *legislative body in its resolution of intention.*

39 *(b) A description of the public facilities and other forms of*
40 *development or financial assistance that is proposed in the area*

1 of the district, including those to be provided by the private sector;
2 those to be provided by governmental entities without assistance
3 under this chapter, those public improvements and facilities to be
4 financed with assistance from the proposed district, and those to
5 be provided jointly. The description shall include the proposed
6 location, timing, and costs of the development and financial
7 assistance.

8 (c) If funding from affected taxing entities is incorporated into
9 the financing plan, a finding that the development and financial
10 assistance are of communitywide significance and provide
11 significant benefits to an area larger than the area of the district.

12 (d) A financing section, which shall contain all of the following
13 information:

14 (1) A specification of the maximum portion of the incremental
15 tax revenue of the city or county and of each affected taxing entity
16 proposed to be committed to the district for each year during which
17 the district will receive incremental tax revenue. The portion need
18 not be the same for all affected taxing entities. The portion may
19 change over time.

20 (2) A projection of the amount of tax revenues expected to be
21 received by the district in each year during which the district will
22 receive tax revenues, including an estimate of the amount of tax
23 revenues attributable to each affected taxing entity for each year.

24 (3) A plan for financing the public facilities to be assisted by
25 the district, including a detailed description of any intention to
26 incur debt.

27 (4) A limit on the total number of dollars of taxes that may be
28 allocated to the district pursuant to the plan.

29 (5) A date on which the district will cease to exist, by which
30 time all tax allocation to the district will end. The date shall not
31 be more than 45 years from the date on which the issuance of
32 bonds is approved pursuant to subdivision (a) of Section 53398.81,
33 or the issuance of a loan is approved by the governing board of a
34 local agency pursuant to Section 53398.87.

35 (6) An analysis of the costs to the city or county of providing
36 facilities and services to the area of the district while the area is
37 being developed and after the area is developed. The plan shall
38 also include an analysis of the tax, fee, charge, and other revenues
39 expected to be received by the city or county as a result of expected
40 development in the area of the district.

1 (7) *An analysis of the projected fiscal impact of the district and*
2 *the associated development upon each affected taxing entity.*

3 (8) *A plan for financing any potential costs that may be incurred*
4 *by reimbursing a developer of a project that is both located entirely*
5 *within the boundaries of that district and qualifies for the Transit*
6 *Priority Project Program, pursuant to Section 65470, including*
7 *any permit and affordable housing expenses related to the project.*

8 (e) *If any dwelling units occupied by persons or families are*
9 *proposed to be removed or destroyed in the course of private*
10 *development or public works construction within the area of the*
11 *district, a plan providing for replacement of those units and*
12 *relocation of those persons or families consistent with the*
13 *requirements of Section 53398.56.*

14 (f) *The goals the district proposes to achieve for each project*
15 *financed pursuant to Section 53398.52.*

16 53398.64. *The infrastructure financing plan shall be sent to*
17 *each owner of land within the proposed district and to each*
18 *affected taxing entity together with any report required by the*
19 *California Environmental Quality Act (Division 13 (commencing*
20 *with Section 21000) of the Public Resources Code) that pertains*
21 *to the proposed public facilities or the proposed development*
22 *project for which the public facilities are needed, and shall be*
23 *made available for public inspection. The report shall also be sent*
24 *to the planning commission and the legislative body.*

25 53398.65. *The designated official shall consult with each*
26 *affected taxing entity, and, at the request of any affected taxing*
27 *entity, shall meet with representatives of an affected taxing entity.*
28 *Any affected taxing entity may suggest revisions to the plan.*

29 53398.66. *The legislative body shall conduct a public hearing*
30 *prior to adopting the proposed infrastructure financing plan. The*
31 *public hearing shall be called no sooner than 60 days after the*
32 *plan has been sent to each affected taxing entity. In addition to*
33 *the notice given to landowners and affected taxing entities pursuant*
34 *to Sections 53398.60 and 53398.61, notice of the public hearing*
35 *shall be given by publication not less than once a week for four*
36 *successive weeks in a newspaper of general circulation published*
37 *in the city or county in which the proposed district is located. The*
38 *notice shall state that the district will be used to finance public*
39 *facilities or development, briefly describe the public facilities or*
40 *development, briefly describe the proposed financial arrangements,*

1 including the proposed commitment of incremental tax revenue,
2 describe the boundaries of the proposed district and state the day,
3 hour, and place when and where any persons having any objections
4 to the proposed infrastructure financing plan, or the regularity of
5 any of the prior proceedings, may appear before the legislative
6 body and object to the adoption of the proposed plan by the
7 legislative body.

8 53398.67. At the hour set in the required notices, the legislative
9 body shall proceed to hear and pass upon all written and oral
10 objections. The hearing may be continued from time to time. The
11 legislative body shall consider the recommendations, if any, of
12 affected taxing entities, and all evidence and testimony for and
13 against the adoption of the plan. The legislative body may modify
14 the plan by eliminating or reducing the size and cost of proposed
15 facilities or development, by reducing the amount of proposed
16 debt, or by reducing the portion, amount, or duration of
17 incremental tax revenues to be committed to the district.

18 53398.68. (a) The legislative body shall not enact a resolution
19 proposing formation of a district and providing for the division of
20 taxes of any affected taxing entity pursuant to Article 3
21 (commencing with Section 53398.75) unless a resolution approving
22 the plan has been adopted by the governing body of each affected
23 taxing entity which is proposed to be subject to division of taxes
24 pursuant to Article 3 (commencing with Section 53398.75) and
25 has been filed with the legislative body at or prior to the time of
26 the hearing.

27 (b) Nothing in this section shall be construed to prevent the
28 legislative body from amending its infrastructure financing plan
29 and adopting a resolution proposing formation of the enhanced
30 infrastructure financing district without allocation of the tax
31 revenues of any affected taxing entity that has not approved the
32 infrastructure financing plan by resolution of the governing body
33 of the affected taxing entity.

34 53398.69. (a) At the conclusion of the hearing, the legislative
35 body may adopt a resolution proposing adoption of the
36 infrastructure financing plan, as modified, and formation of the
37 enhanced infrastructure financing district in a manner consistent
38 with Section 53398.68, or it may abandon the proceedings.

39 (b) The infrastructure financing plan and the formation of the
40 enhanced infrastructure financing district shall take effect upon

1 *the legislative body's adoption of the resolution. The infrastructure*
2 *financing plan shall specify if the district shall be funded solely*
3 *through the district's share of tax increment, governmental or*
4 *private loans, grants, bonds, assessments, fees, or some*
5 *combination thereof. However, the public financing authority may*
6 *not issue bonds or levy assessments or fees that may be included*
7 *in the infrastructure financing plan prior to one or more of the*
8 *following:*

9 *(1) An affirmative vote, pursuant to subdivision (a) of Section*
10 *53398.81, to issue bonds to finance the infrastructure financing*
11 *plan.*

12 *(2) Without compliance with the procedures required in*
13 *subdivision (f) of Section 53398.75, to levy assessments or fees to*
14 *finance the infrastructure financing plan.*

15 *(c) In addition the district may expend up to 10 percent of any*
16 *accrued tax increment in the first two years of the effective date*
17 *of the enhanced infrastructure financing district on planning and*
18 *dissemination of information to the residents within the district's*
19 *boundaries about the infrastructure financing plan and planned*
20 *activities to be funded by the district.*

21 *53398.70. (a) Except as otherwise provided in this chapter,*
22 *the provisions of law regulating elections of the local agency that*
23 *calls an election pursuant to this chapter, insofar as they may be*
24 *applicable, shall govern all elections conducted pursuant to this*
25 *chapter. Except as provided in subdivision (b), there shall be*
26 *prepared and included in the ballot material provided to each*
27 *voter, an impartial analysis pursuant to Section 9160 or 9280 of*
28 *the Elections Code, arguments and rebuttals, if any, pursuant to*
29 *Sections 9162 to 9167, inclusive, and Section 9190 of the Elections*
30 *Code or pursuant to Sections 9281 to 9287, inclusive, and Section*
31 *9295 of the Elections Code.*

32 *(b) If the vote is to be by the landowners of the proposed district,*
33 *analysis and arguments may be waived with the unanimous consent*
34 *of all the landowners and shall be so stated in the order for the*
35 *election.*

36 *53398.71. (a) If the election is to be conducted by mail ballot,*
37 *the election official conducting the election shall provide ballots*
38 *and election materials pursuant to subdivision (d) of Section 53326*
39 *and Section 53327, together with all supplies and instructions*
40 *necessary for the use and return of the ballot.*

1 ***(b) The identification envelope for return of mail ballots used***
2 ***in landowner elections shall contain the following:***

3 ***(1) The name of the landowner.***

4 ***(2) The address of the landowner.***

5 ***(3) A declaration, under penalty of perjury, stating that the voter***
6 ***is the owner of record or the authorized representative of the***
7 ***landowner entitled to vote and is the person whose name appears***
8 ***on the identification envelope.***

9 ***(4) The printed name and signature of the voter.***

10 ***(5) The address of the voter.***

11 ***(6) The date of signing and place of execution of the declaration***
12 ***pursuant to paragraph (3).***

13 ***(7) A notice that the envelope contains an official ballot and is***
14 ***to be opened only by the canvassing board.***

15 53398.74. *The public financing authority may submit a*
16 *proposition to establish or change the appropriations limit, as*
17 *defined by subdivision (h) of Section 8 of Article XIII B of the*
18 *California Constitution, of a district to the qualified electors of a*
19 *proposed or established district. The proposition establishing or*
20 *changing the appropriations limit shall become effective if*
21 *approved by the qualified electors voting on the proposition and*
22 *shall be adjusted for changes in the cost of living and changes in*
23 *populations, as defined by subdivisions (b) and (c) of Section 7901,*
24 *except that the change in population may be estimated by the*
25 *legislative body in the absence of an estimate by the Department*
26 *of Finance, and in accordance with Section 1 of Article XIII B of*
27 *the California Constitution. For purposes of adjusting for changes*
28 *in population, the population of the district shall be deemed to be*
29 *at least one person during each calendar year. Any election held*
30 *pursuant to this section may be combined with any election held*
31 *pursuant to Section 53398.80 in any convenient manner.*

32
33 ***Article 3. Division of Taxes***
34

35 53398.75. *(a) Any infrastructure financing plan may contain*
36 *a provision that taxes, if any, levied upon taxable property in the*
37 *area included within the enhanced infrastructure financing district*
38 *each year by or for the benefit of the State of California, or any*
39 *affected taxing entity after the effective date of the ordinance*

1 *adopted pursuant to Section 53398.69 to create the district, shall*
2 *be divided as follows:*

3 *(1) That portion of the taxes that would be produced by the rate*
4 *upon which the tax is levied each year by or for each of the affected*
5 *taxing entities upon the total sum of the assessed value of the*
6 *taxable property in the district as shown upon the assessment roll*
7 *used in connection with the taxation of the property by the affected*
8 *taxing entity, last equalized prior to the effective date of the*
9 *ordinance adopted pursuant to Section 53398.69 to create the*
10 *district, shall be allocated to, and when collected shall be paid to,*
11 *the respective affected taxing entities as taxes by or for the affected*
12 *taxing entities on all other property are paid.*

13 *(2) That portion of the levied taxes each year specified in the*
14 *adopted infrastructure financing plan for the city or county and*
15 *each affected taxing entity that has agreed to participate pursuant*
16 *to Section 53398.68 in excess of the amount specified in subdivision*
17 *(a) shall be allocated to, and when collected shall be paid into a*
18 *special fund of, the district for all lawful purposes of the district.*
19 *Unless and until the total assessed valuation of the taxable property*
20 *in a district exceeds the total assessed value of the taxable property*
21 *in the district as shown by the last equalized assessment roll*
22 *referred to in subdivision (a), all of the taxes levied and collected*
23 *upon the taxable property in the district shall be paid to the*
24 *respective affected taxing entities. When the district ceases to exist*
25 *pursuant to the adopted infrastructure financing plan, all moneys*
26 *thereafter received from taxes upon the taxable property in the*
27 *district shall be paid to the respective affected taxing entities as*
28 *taxes on all other property are paid.*

29 *(b) Notwithstanding subdivision (a), where any district*
30 *boundaries overlap with the boundaries of any former*
31 *redevelopment project area, any debt or obligation of a district*
32 *shall be subordinate to any and all enforceable obligations of the*
33 *former redevelopment agency, as approved by the Oversight Board*
34 *and the Department of Finance. For the purposes of this chapter,*
35 *the division of taxes allocated to the district pursuant to subdivision*
36 *(a) of this section or of subdivision (b) of Section 53396 shall not*
37 *include any taxes required to be deposited by the county*
38 *auditor-controller into the Redevelopment Property Tax Trust*
39 *Fund created pursuant to subdivision (b) of Section 34170.5 of*
40 *the Health and Safety Code.*

1 (c) *The legislative body of the city or county forming the district*
2 *may choose to dedicate any portion of its net available revenue to*
3 *the district through the financing plan described in Section*
4 *53398.63.*

5 (d) *For the purposes of this section, “net available revenue”*
6 *means periodic distributions to the city or county from the*
7 *Redevelopment Property Tax Trust Fund, created pursuant to*
8 *Section 34170.5 of the Health and Safety Code, that are available*
9 *to the city or county after all preexisting legal commitments and*
10 *statutory obligations funded from that revenue are made pursuant*
11 *to Part 1.85 (commencing with Section 34170) of Division 24 of*
12 *the Health and Safety Code. “Net available revenue” shall not*
13 *include any funds deposited by the county auditor-controller into*
14 *the Redevelopment Property Tax Trust Fund or funds remaining*
15 *in the Redevelopment Property Tax Trust Fund prior to*
16 *distribution. Net available revenues shall not include any moneys*
17 *payable to a school district that maintains kindergarten and grades*
18 *1 to 12, inclusive, community college districts, county office of*
19 *education, or to the Educational Revenue Augmentation Fund,*
20 *pursuant to paragraph (4) of subdivision (a) of Section 34183 of*
21 *the Health and Safety Code.*

22 (e) (1) *That portion of any ad valorem property tax revenue*
23 *annually allocated to a city or county pursuant to Section 97.70*
24 *of the Revenue and Taxation Code that is specified in the adopted*
25 *infrastructure financing plan for the city or county that has agreed*
26 *to participate pursuant to Section 53398.68, and that corresponds*
27 *to the increase in the assessed valuation of taxable property shall*
28 *be allocated to, and when collected shall be apportioned to a*
29 *special fund of the district for all lawful purposes of the district.*

30 (2) *When the district ceases to exist pursuant to the adopted*
31 *infrastructure financing plan, the revenues described in this*
32 *subdivision shall be allocated to, and when collected, shall be*
33 *apportioned to the respective city or county.*

34 (f) *This section shall not be construed to prevent a district from*
35 *utilizing revenues from any of the following sources to support its*
36 *activities provided that the applicable voter approval has been*
37 *obtained, and the infrastructure financing plan has been approved*
38 *pursuant to Section 53398.69:*

39 (1) *The Improvement Act of 1911 (Division 7 (commencing with*
40 *Section 5000) of the Streets and Highways Code).*

1 (2) *The Municipal Improvement Act of 1913 (Division 12*
2 *(commencing with Section 10000) of the Streets and Highways*
3 *Code).*

4 (3) *The Improvement Bond Act of 1915 (Division 10*
5 *(commencing with Section 8500) of the Streets and Highways*
6 *Code).*

7 (4) *The Landscaping and Lighting Act of 1972 (Part 2*
8 *(commencing with Section 22500) of Division 15 of the Streets*
9 *and Highways Code).*

10 (5) *The Vehicle Parking District Law of 1943 (Part 1*
11 *(commencing with Section 31500) of Division 18 of the Streets*
12 *and Highways Code).*

13 (6) *The Parking District Law of 1951 (Part 4 (commencing with*
14 *Section 35100) of Division 18 of the Streets and Highways Code).*

15 (7) *The Park and Playground Act of 1909 (Chapter 7*
16 *(commencing with Section 38000) of Part 2 of Division 3 of Title*
17 *4 of this code).*

18 (8) *The Mello-Roos Community Facilities Act of 1982 (Chapter*
19 *2.5 (commencing with Section 53311) of Part 1 of Division 2 of*
20 *this title).*

21 (9) *The Benefit Assessment Act of 1982 (Chapter 6.4*
22 *(commencing with Section 54703) of Part 1 of Division 2 of this*
23 *title).*

24 (10) *The so-called facilities benefit assessment levied by the*
25 *charter city of San Diego or any substantially similar assessment*
26 *levied for the same purpose by any other charter city pursuant to*
27 *any ordinance or charter provision.*

28 53398.76. *All costs incurred by a county in connection with*
29 *the division of taxes pursuant to Section 53398.75 for a district*
30 *shall be paid by that district.*

31
32 *Article 4. Tax Increment Bonds*
33

34 53398.77. *The public financing authority may, by majority*
35 *vote, initiate proceedings to issue bonds pursuant to this chapter*
36 *by adopting a resolution stating its intent to issue the bonds.*

37 53398.78. *The resolution adopted pursuant to Section 53398.77*
38 *shall contain all of the following information:*

39 (a) *A description of the facilities or developments to be financed*
40 *with the proceeds of the proposed bond issue.*

1 ***(b) The estimated cost of the facilities or developments, the***
2 ***estimated cost of preparing and issuing the bonds, and the***
3 ***principal amount of the proposed bond issuance.***

4 ***(c) The maximum interest rate and discount on the proposed***
5 ***bond issuance.***

6 ***(d) The date of the election on the proposed bond issuance and***
7 ***the manner of holding the election.***

8 ***(e) A determination of the amount of tax revenue available or***
9 ***estimated to be available, for the payment of the principal of, and***
10 ***interest on, the bonds.***

11 ***(f) A finding that the amount necessary to pay the principal of,***
12 ***and interest on, the proposed bond issuance will be less than, or***
13 ***equal to, the amount determined pursuant to subdivision (e).***

14 ***53398.79. The clerk of the public financing authority shall***
15 ***publish the resolution adopted pursuant to Section 53398.77 once***
16 ***a day for at least seven successive days in a newspaper published***
17 ***in the city or county at least six days a week, or at least once a***
18 ***week for two successive weeks in a newspaper published in the***
19 ***city or county less than six days a week.***

20 ***If there are no newspapers meeting these criteria, the resolution***
21 ***shall be posted in three public places within the territory of the***
22 ***district for two succeeding weeks.***

23 ***53398.80. (a) The public financing authority shall submit the***
24 ***proposal to issue the bonds to the voters who reside within the***
25 ***district. If the public financing authority adopts a resolution***
26 ***proposing initiation of proceedings to issue bonds pursuant to***
27 ***Section 53398.77, it shall then submit that proposal, together with***
28 ***the information specified in subdivisions (a) to (c), inclusive, of***
29 ***Section 53398.78, to the qualified electors of the district in the***
30 ***next general election or in a special election to be held,***
31 ***notwithstanding any other requirement, including any requirement***
32 ***that elections be held on specified dates, contained in the Elections***
33 ***Code, at least 90 days but not more than 180 days following the***
34 ***adoption of the resolution of bond issuance. The public financing***
35 ***authority shall provide the resolution of bond issuance, a certified***
36 ***map of sufficient scale and clarity to show the boundaries of the***
37 ***district, and a sufficient description to allow the election official***
38 ***to determine the boundaries of the district to the official conducting***
39 ***the election within three business days after the adoption of the***
40 ***resolution of bond issuance. The assessor's parcel numbers for***

1 the land within the district shall be included if it is a landowner
2 election or the district does not conform to an existing district's
3 boundaries and if requested by the official conducting the election.
4 If the election is to be held less than 125 days following the
5 adoption of the resolution of bond issuance, the concurrence of
6 the election official conducting the election shall be required.
7 However, any time limit specified by this section or requirement
8 pertaining to the conduct of the election may be waived with the
9 unanimous consent of the qualified electors of the proposed district
10 and the concurrence of the election official conducting the election.

11 (b) If at least 12 persons have been registered to vote within
12 the territory of the district for each of the 90 days preceding the
13 close of the hearing, the vote shall be by the registered voters of
14 the district, who need not necessarily be the same persons, with
15 each voter having one vote. Otherwise, the vote shall be by the
16 landowners of the district and each landowner who is the owner
17 of record at the close of the protest hearing, or the authorized
18 representative thereof, shall have one vote for each acre or portion
19 of an acre of land that he or she owns within the district. The
20 number of votes to be voted by a particular landowner shall be
21 specified on the ballot provided to that landowner.

22 (c) Ballots for the special election authorized by subdivision
23 (a) may be distributed to qualified electors by mail with return
24 postage prepaid or by personal service by the election official.
25 The official conducting the election may certify the proper mailing
26 of ballots by an affidavit, which shall be exclusive proof of mailing
27 in the absence of fraud. The voted ballots shall be returned to the
28 election officer conducting the election not later than the hour
29 specified in the resolution calling the election. However, if all the
30 qualified voters have voted, the election shall be closed.

31 53398.81. (a) The bonds may be issued if 55 percent of the
32 voters voting on the proposition vote in favor of issuing the bonds.

33 (b) If the voters approve the issuance of the bonds as provided
34 by subdivision (a), the public financing authority shall proceed
35 with the issuance of the bonds by adopting a resolution that shall
36 provide for all of the following:

37 (1) The issuance of the bonds in one or more series.

38 (2) The principal amount of the bonds that shall be consistent
39 with the amount specified in subdivision (b) of Section 53398.78.

40 (3) The date the bonds will bear.

1 (4) *The date of maturity of the bonds.*

2 (5) *The denomination of the bonds.*

3 (6) *The form of the bonds.*

4 (7) *The manner of execution of the bonds.*

5 (8) *The medium of payment in which the bonds are payable.*

6 (9) *The place or manner of payment and any requirements for*
7 *registration of the bonds.*

8 (10) *The terms of call or redemption, with or without premium.*

9 53398.82. *If any proposition submitted to the voters pursuant*
10 *to this chapter is defeated by the voters, the public financing*
11 *authority shall not submit, or cause to be submitted, a similar*
12 *proposition to the voters for at least one year after the first election.*

13 53398.83. *The public financing authority may, by majority*
14 *vote, provide for refunding of bonds issued pursuant to this chapter.*
15 *However, refunding bonds shall not be issued if the total net*
16 *interest cost to maturity on the refunding bonds plus the principal*
17 *amount of the refunding bonds exceeds the total net interest cost*
18 *to maturity on the bonds to be refunded. The public financing*
19 *authority may not extend the time to maturity of the bonds.*

20 53398.84. *The public financing authority or any person*
21 *executing the bonds shall not be personally liable on the bonds by*
22 *reason of their issuance. The bonds and other obligations of a*
23 *district issued pursuant to this chapter are not a debt of the city,*
24 *county, or state or of any of its political subdivisions, other than*
25 *the district, and none of those entities, other than the district, shall*
26 *be liable on the bonds and the bonds or obligations shall be*
27 *payable exclusively from funds or properties of the district. The*
28 *bonds shall contain a statement to this effect on their face. The*
29 *bonds do not constitute an indebtedness within the meaning of any*
30 *constitutional or statutory debt limitation.*

31 53398.85. *The bonds may be sold at discount not to exceed 5*
32 *percent of par at public sale. At least five days prior to the sale,*
33 *notice shall be published, pursuant to Section 6061, in a newspaper*
34 *of general circulation and in a financial newspaper published in*
35 *the City and County of San Francisco and in the City of Los*
36 *Angeles. The bonds may be sold at not less than par to the federal*
37 *government at private sale without any public advertisement.*

38 53398.86. *If any member of the public financing authority*
39 *whose signature appears on bonds ceases to be a member of the*
40 *public financing authority before delivery of the bonds, his or her*

1 *signature is as effective as if he or she had remained in office.*
2 *Bonds issued pursuant to this chapter are fully negotiable.*

3 *53398.87. Upon the approval of its governing board, a city,*
4 *county, or special district that contains territory within the*
5 *boundaries of a district, may loan moneys to the district to fund*
6 *those activities described in the infrastructure financing plan*
7 *approved and adopted pursuant to Section 53398.69. Moneys*
8 *loaned pursuant to this provision may be repaid at an interest rate*
9 *that does not exceed the Local Agency Investment Fund rate that*
10 *is in effect on the date that the loan is approved by the governing*
11 *board. Notwithstanding any other provision of law it is the intent*
12 *of the Legislature that any loan issued to a public financing*
13 *authority by a governmental entity shall be repaid fully unless*
14 *agreed to otherwise between the authority and the governmental*
15 *entity.*

16 *53398.88. (a) Every two years after the issuance of debt*
17 *pursuant to Section 53398.81, the district shall contract for an*
18 *independent financial and performance audit. The audit shall be*
19 *conducted according to guidelines established by the Controller.*
20 *A copy of the completed audit shall be provided to the Controller,*
21 *the Director of Finance, and to the Joint Legislative Budget*
22 *Committee.*

23 *(b) Upon the request of the Governor or of the Legislature, the*
24 *Bureau of State Audits shall be authorized to conduct financial*
25 *and performance audits of districts. The results of the audits shall*
26 *be provided to the district, the Controller, the Director of Finance,*
27 *and the Joint Legislative Budget Committee.*

28 *SEC. 2. No reimbursement is required by this act pursuant to*
29 *Section 6 of Article XIII B of the California Constitution because*
30 *the only costs that may be incurred by a local agency or school*
31 *district will be incurred because this act creates a new crime or*
32 *infraction, eliminates a crime or infraction, or changes the penalty*
33 *for a crime or infraction, within the meaning of Section 17556 of*
34 *the Government Code, or changes the definition of a crime within*
35 *the meaning of Section 6 of Article XIII B of the California*
36 *Constitution.*

37 ~~SECTION 1. Section 1374.78 is added to the Health and Safety~~
38 ~~Code, immediately following Section 1374.76, to read:~~

39 ~~1374.78. (a) (1) On and after January 1, 2016, consistent with~~
40 ~~Section 1380, the Department of Managed Health Care shall~~

1 ~~conduct medical surveys of health care service plans to evaluate~~
2 ~~those plans' compliance with Section 1374.76. The surveys shall~~
3 ~~be conducted annually for at least five years.~~

4 ~~(2) The director shall determine no fewer than seven of the~~
5 ~~largest health care service plans to be surveyed each year~~
6 ~~representing no fewer than 80 percent of covered lives among any~~
7 ~~of the plans subject to the requirements of Section 1374.76.~~

8 ~~(b) (1) From April 1, 2017, to April 1, 2021, inclusive, the~~
9 ~~department shall provide the Legislature with an annual report on~~
10 ~~the survey findings, including analysis of health care service plan~~
11 ~~compliance with timely access to services and compliance with~~
12 ~~cost-sharing and treatment requirements of state and federal mental~~
13 ~~health parity laws and all rules, regulations, and guidance issued~~
14 ~~thereunder.~~

15 ~~(2) The requirement for submitting a report imposed under this~~
16 ~~subdivision is inoperative on April 2, 2021, pursuant to Section~~
17 ~~10231.5 of the Government Code.~~

18 ~~(3) The report to be submitted pursuant to this subdivision shall~~
19 ~~be submitted in compliance with Section 9795 of the Government~~
20 ~~Code.~~

21 ~~(c) Notwithstanding any other law, the department shall hire~~
22 ~~five staff members, prior to June 30, 2015, to implement this~~
23 ~~section, funded through the Managed Care Fund.~~

24 ~~(d) All actual reasonable costs incurred by the department for~~
25 ~~the purposes of the surveys of health care service plan compliance~~
26 ~~with Section 1374.76 shall be paid from the annual plan~~
27 ~~assessments imposed pursuant to subdivision (b) of Section 1356.~~